Supreme Court, U.S.
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No. 95-1557

IN THE

Supreme Court of the United States

OCTOBER TERM, 1995

SHOWA ALUMINUM CORPORATION and SHOWA ALUMINUM CORPORATION OF AMERICA,

—and—

MITSUBISHI MOTORS CORPORATION and MITSUBISHI MOTOR SALES OF AMERICA,

—and—

MITSUBISHI HEAVY INDUSTRIES, LTD. and MITSUBISHI INDUSTRIES AMERICA, INC.,

Petitioners,

—v.—

MODINE MANUFACTURING COMPANY,

—and—

UNITED STATES INTERNATIONAL TRADE COMMISSION,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

RESPONDENT'S BRIEF IN OPPOSITION

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April 26, 1996

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QUESTIONS PRESENTED

1. Whether the case is ripe for review, when there has been no final judgment because the Court of Appeals for the Federal Circuit has remanded the case for further proceedings to determine whether there has been literal infringement as well as infringement under the doctrine of equivalents.

2. Whether patent infringement exists when an accused product performs substantially the same function as a patented invention, in substantially the same way, to achieve substantially the same result.

LIST OF PARTIES AND RULE 29.6 STATEMENT

All Respondents are named in the case caption.

Pursuant to Rule 29.6 of the Rules of this Court:

1. Respondent Modine Manufacturing Company states that it has no parent or non-wholly owned subsidiary.

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STATUTES RELIED UPON

19 U.S.C. § 1337(j): Referral to President.

(1) If the Commission determines that there is a violation of this section, or that, for purposes of subsection (e) of this section, there is reason to believe that there is such a violation, it shall—

(A) publish such determination in the Federal Register, and

(B) transmit to the President a copy of such determination and the action taken under subsection (d), (e), (f), (g), or (i) of this section, with respect thereto, together with the record upon which such determination is based.

(2) If, before the close of the 60-day period beginning on the day after the day on which he receives a copy of such determination, the President, for policy reasons, disapproves such determination and notifies the Commission of his disapproval, then, effective on the date of such notice, such determination and the action taken under subsection (d), (e), (f), (g), or (i) of this section with respect thereto shall have no force or effect.

(3) Subject to the provisions of paragraph (2), such determination shall, except for purposes of subsection (c) of this section, be effective upon publication thereof in the Federal Register, and the action taken under subsection (d), (e), (f), (g), or (i) of this section with respect thereto shall be effective as provided in such subsections, except that articles directed to be excluded from entry under subsection (d) of this section or subject to a cease and desist order under subsection (f) of this section shall, until such determination becomes final, be entitled to entry under bond prescribed by the Secretary in an amount determined by the Commission to be sufficient to protect the complainant from any injury. If the determination becomes final, the bond may be forfeited to the complainant. The Commission shall prescribe the terms and conditions under which bonds may be forfeited under this paragraph.

(4) If the President does not disapprove such determination within such 60-day period, or if he notifies the Commission before the close of such period that he approves such determination, then, for purposes of paragraph (3) and subsection (c) of this section such determination shall become final on the day after the close of such period or the day on which the President notifies the Commission of his approval, as the case may be.

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RESPONDENT'S BRIEF IN OPPOSITION

COUNTERSTATEMENT OF THE CASE

Introduction

Respondent Modine Manufacturing Company ("Modine") requests that this Court deny the petition for writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit because the question posed by the petition is not ripe for review. The Court of Appeals vacated the earlier rulings of the United States International Trade Commission

("ITC") on infringement of Modine's United States Patent No. 4,998,580 (the " '580 patent"), and remanded the case to the ITC for further proceedings to determine whether petitioners have infringed the '580 patent, either literally or under the doctrine of equivalents. As a result, there is no final judgment in the courts below for this Court to review. The existence of an important issue with respect to literal infringement, moreover, presents a critical distinction between this case and *Hilton Davis Chem. Co. v. Warner-Jenkinson Co.*, 62 F.3d 1512 (Fed. Cir. 1995) (in banc), *further proceedings*, 64 F.3d 675 (Fed. Cir. 1995), *cert. granted*, 116 S. Ct. 1014 (U.S. Feb. 26, 1996) (No. 95-728). Accordingly, the Court should decline to exercise its certiorari jurisdiction.

The Patent In Suit

The invention claimed in Modine's '580 patent is a highly efficient and environmentally advanced condenser for use in an automotive air conditioning system. (App. Vol. I, 4a.) As embodied in Modine's parallel flow ("PF") condenser, this invention outperforms prior art condensers, uses less refrigerant, and is more compact and lighter. (App. Vol. I, 4a-5a.) For these reasons, and the fact that it operates with refrigerants other than the environmentally harmful chlorofluorocarbons used by other condensers, Modine's invention has become the new industry standard. (*Id.*)

The invention of the '580 patent achieves the foregoing advantages through the unique combination of elements described in various claims. Claims 9 and 10, which are at issue in this case, call for a series of condenser tubes, arrayed in parallel fashion between two header pipes. (App. Vol. II, 101a.) Within each tube, there are web means that (i) define a plurality of discrete, hydraulically parallel flow paths through which refrigerant vapor travels and condenses, (ii) absorb internal pressure forces, and (iii) conduct heat. (*Id.*) Claims 9 and 10 also require a plurality of the

flow paths to be of "relatively small hydraulic diameter" and to contain one or more elongated crevices. (*Id.*) In addition, those claims call for the placement of serpentine fins between the adjacent walls of condenser tubes to assist in heat transfer. (*Id.*)

Proceedings In The ITC

In December, 1991, Modine filed a complaint with the ITC, alleging that petitioners had imported and sold automotive condensers made by Showa Aluminum Corporation ("Showa") that infringed the '580 patent. The ITC initiated an investigation shortly thereafter, and the parties had a hearing before an administrative law judge in February, 1993, regarding Modine's complaint.

On April 23, 1993, the ALJ issued an initial determination, which concluded, among other things, that the importation and sale of the Showa condensers did not infringe claims 9 and 10 of the '580 patent either literally or under the doctrine of equivalents. In its literal infringement analysis, the initial determination concluded that Modine had surrendered hydraulic diameters in the range of .040-.070 in. during prosecution of the patent to avoid the prior art "Cut-Folded Front" condenser made by Modine for the Caterpillar Company. As a result, the ALJ construed the term "relatively small hydraulic diameter" in claims 9 and 10 as limiting the size of flow paths to the range of precisely .015-.040 in. Finding that none of the accused condensers had tubes with flow paths smaller than 0.040 in., the ALJ also concluded that petitioners did not literally infringe claims 9 and 10. (App. Vol. I, 37a-57a, 67a.)

With respect to Modine's doctrine of equivalents claim, the ALJ found that the accused condensers satisfied the "function" and "result" prongs of the familiar equivalents test set forth in *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605 (1950), but not the "way" prong of that test. (App. Vol. I, 82a-84a) The ALJ also concluded that Modine was barred by the

doctrine of prosecution history estoppel from claiming any hydraulic diameter range above the .040 in. literal limit of claims 9 and 10, based upon the finding that Modine had surrendered any range of hydraulic diameter above the literal limit to avoid the prior art Cat-Folded Front condenser. (App. Vol. I, 78a, 80a.)

In addition to the foregoing findings and conclusions, the initial determination expressed the view that the doctrine of equivalents should only protect against "unscrupulous copying" and "unanticipated equivalents," neither of which the ALJ found to be present in this case. (App. Vol. I, 72a.) As Modine pointed out on appeal, the ALJ's finding as to copying ignored ample evidence in the record demonstrating that Showa had consciously modeled its own condenser upon the PF condenser design to take advantage of the PF condenser's superior heat transfer properties. Similarly, the ALJ's finding that the Cat-Folded Front condenser was an "anticipated equivalent" of Modine's invention ignored the plethora of structural differences between the Cat-Folded Front condenser and Modine's invention.[1]

Once the ALJ issued the initial determination, Modine promptly petitioned the ITC for review. On July 23, 1993, the ITC completed its review and summarily adopted the ALJ's infringement findings and conclusions. (App. Vol. I, 29a-31a.)

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[1]With respect to the issue of "anticipated equivalents," petitioners wrongly assert that the ALJ specifically found that Modine had known about "the structure now asserted to be equivalent but had made a conscious strategic decision not to claim it during the patent prosecution. . . ." (Pet. 2; *see also* Pet. 8.) In fact, the ALJ found that Modine narrowed its claims during the prosecution of the '580 patent in response to the Cat-Folded Front condenser, not the accused Showa condensers. (App. Vol. I, 72a.) In contrast to the claimed invention (and the accused Showa condensers), the Cat-Folded Front condenser did not have a web means to provide internal strength and create discrete flow paths of relatively small hydraulic diameter with elongated crevices. (App. Vol. I, 13a-14a, 22a.) In fact, the Cat-Folded Front condenser was a large condenser intended for use on off-road heavy equipment, such as tractors. (App. Vol. I, 13a.)

Modine then appealed the ITC's findings and conclusions to the Court of Appeals, which issued its opinion on February 5, 1996.

The Decision Of The Court Of Appeals

In its opinion, the Court of Appeals determined that the ITC had construed the term "relatively small hydraulic diameter" improperly. (App. Vol. I, 9a-19a.) Before reaching that conclusion, the Court of Appeals considered the claims, specification, and prosecution history of the '580 patent, as well as Modine's arguments supporting a claim range of .015-.070 in. (*Id.*) Although it ultimately declined to construe claims 9 and 10 in as broad a manner as Modine had urged, the Court of Appeals concluded that the upper limit of the hydraulic diameter range in those claims should not be limited to precisely .040 in. because the patent specification defined the term "relatively small hydraulic diameter" as *about* .015-.040 in. (*Id.*) As the Court of Appeals explained,

> such broadening usages as "about" must be given reasonable scope; they must be viewed by the decisionmaker as they would be understood by persons experienced in the field of the invention . . . .

(App. Vol. I, 18a.) Since the ITC had failed to consider relevant technologic factors to determine the reasonable scope afforded by the term "about," the Court of Appeals vacated its finding of non-infringement and directed the ITC to make the proper determination on remand. (App. Vol. I, 19a-20a.)

At the outset of its discussion of the doctrine of equivalents, the Court of Appeals noted that the ALJ's requirement of an equitable threshold to invocation of the doctrine was directly contrary to its holding in *Hilton Davis*, 62 F.3d at 1522. (App. Vol. I, 20a.) Consequently, the court did not address the ALJ's findings relating to copying. The Court of Appeals was quite critical of the ALJ's analysis of the evidence under the *Graver*

Tank standard, however, holding that the ALJ's finding of non-similarity in the way that the accused condensers and the claimed invention functioned was against the heavy weight of the evidence. (App. Vol. I, 21a.) Since the ALJ had found that the claimed invention and the accused condensers were substantially similar in terms of function and results, the Court concluded that there was not substantial evidence to support the ALJ's finding of non-equivalence under *Graver Tank*. (*Id.*)

Finally, the Court of Appeals concluded that the ALJ had improperly limited the range of equivalents available to Modine by applying the doctrine of prosecution history estoppel in an excessively rigid manner. In contrast to the ALJ, the court held that Modine should be entitled to a range of equivalents up to the hydraulic diameter of the Cat-Folded Front condenser. (App. Vol. I, 23a.) Accordingly, the Court of Appeals vacated the ITC's holding regarding the doctrine of equivalents and remanded the case for further findings in accordance with its directions regarding the permissible range of equivalents. (App. Vol. I, 23a.)

REASONS FOR DENYING THE WRIT

I. The Question Presented By Petitioners Is Not Ripe For Review.

The Court of Appeals for the Federal Circuit has not ruled that petitioners infringed Modine's '580 patent. Rather, it has remanded the case to the ITC for a determination of whether such infringement has occurred. Thus, the question of petitioners' liability remains undecided at this time, and there is not yet a final judgment for this Court to review.

There will not be such a final judgment until the ITC makes the determinations required by the Court of Appeals, decides upon an appropriate remedy, and has its decision approved or disapproved by the President. 19 U.S.C. § 1337(j) (1996). Indeed, the case will not be ripe for review by this Court until the Court

of Appeals once again has had an opportunity to review the final judgment of the ITC.

When no final judgment has been entered in a case, this Court normally declines to exercise its certiorari jurisdiction, in order to conserve judicial resources and avoid addressing unnecessary questions. *See Virginia Military Institute v. U.S.*, 508 U.S. 946 (1993); *Brotherhood of Locomotive Firemen v. Bangor & A. R.R.*, 389 U.S. 327, 328 (1967) (per curiam); *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 U.S. 251, 258 (1916); *see generally* ROBERT L. STERN, EUGENE GRESSMAN, & STEPHEN M. SHAPIRO, SUPREME COURT PRACTICE § 4.18 at 224-26 (6th ed. 1986). In its present interlocutory posture, this case exemplifies the wisdom of the Court's normal practice, because there is no assurance that the issue presented by petitioners for review will be dispositive to a final judgment below.

Significantly, the petition does not address the issue of ripeness. Indeed, the closest petitioners come to touching upon this issue is a footnote predicting that the doctrine of equivalents issue ultimately will be dispositive in the remanded proceedings. (Pet. 10-11 n.4.) Presumably, petitioners make this prediction in order to convince the Court to ignore the need for further proceedings, particularly with respect to the literal infringement issue, when making its decision with respect to certiorari jurisdiction. In light of the importance that the Court of Appeals has placed on this issue, however, petitioners' self-serving speculation is plainly unwarranted. Moreover, the presence of the literal infringement issue in the case constitutes a critical distinction between it and the *Hilton Davis* case, upon which petitioners have pinned all their hopes for the grant of a writ.

II. The Court of Appeals' Decision Fits Comfortably Within The Parameters Of The Doctrine Of Equivalents Set By This Court In *Graver Tank*.

As noted above, the Court of Appeals applied the well-settled and familiar test of *Graver Tank* in analyzing the doctrine of equivalents issues in this case. Petitioners do not claim that the Court of Appeals misconstrued the *Graver Tank* decision, nor do they dispute the court's holding that the heavy weight of the evidence supported a finding that the accused Showa condensers performed substantially the same function as Modine's patented invention, in substantially the same way, to achieve substantially the same results. Instead, they quarrel with the court's refusal to create an equitable threshold for application of the doctrine, and argue that equitable considerations should preclude Modine from enjoying any range of equivalents with respect to hydraulic diameter beyond the precise numerical limit of .040 in. (Pet. 11-15.)[2]

In *Graver Tank*, the Court declined to impose such an equitable threshold and relied solely on the function/way/result test for proof of infringement by equivalents. *Graver Tank*, 339 U.S. at 608-09. Since *Graver Tank* itself simply reaffirmed the basic doctrine that this Court has applied consistently since its decision in *Winans v. Denmead*, 56 U.S. (15 How.) 330 (1853), the Court of Appeals' refusal to impose an equitable threshold in this case was not extraordinary by any means; indeed, it was consistent with 150 years of this Court's jurisprudence. *See also Markman v. Westview Instruments, Inc.*, 1996 U.S. LEXIS 2804 at *7 & n.1 (U.S. Apr. 23, 1996) (claim scope forbids not only exact copies of an invention, but also products that go to the heart of the inven-

[2]Throughout this case, petitioners have argued only for the imposition of an equitable threshold, and not the elimination of the doctrine of equivalents altogether. Thus, the breadth of petitioners' requested relief offers another point of distinction between this case and *Hilton Davis*. Petitioners cannot now attempt to broaden their requested relief, moreover, because they failed to do so in the courts below. *City of Springfield v. Kibbe*, 480 U.S. 257, 259 (1987).

tion but avoid literal claim language by making a noncritical change).

Although the Court of Appeals was unwilling to impose an equitable threshold before applying the doctrine of equivalents, petitioners are wrong to suggest that equitable principles did not play a significant role in the court's resolution of the doctrine of equivalents issue. In fact, the court relied upon the equitable principles underlying the doctrine of prosecution history estoppel to limit the range of equivalents available to Modine. (App. Vol. I, 22a-23a.) The court reached this result by balancing the public's interest in a measure of certainty with respect to the scope of the '580 patent claims against Modine's right to protect against infringement by undeniable equivalents. (App. Vol. I, 14a, 22a-23a.) Ultimately, the court resolved those competing concerns by limiting the range of available equivalents to the hydraulic diameter of the Cat-Folded Front condenser, notwithstanding the significant structural differences between that condenser and the patented invention. (*Id.*) Equitable considerations, therefore, had a significant limiting impact upon the Court of Appeals' determination of the permissible scope of Modine's infringement claims under the doctrine of equivalents.

Petitioners are also wrong to suggest that the Court of Appeals reached this result by ignoring an ITC finding that Modine "self-evidently understood and anticipated that a competitor might manufacture a parallel flow condenser with hydraulic diameters slightly larger than .040 inch." (Pet. 14.) As both the ITC and the Court of Appeals concluded, the limitation upon the range of equivalents available to Modine arose out of Modine's misplaced concerns regarding the hydraulic diameter of the Cat-Folded Front condenser, not its awareness of the accused Showa condensers. (App. Vol. I, 22a, 72a.) Since the accused condensers, like the patented invention, were automotive condensers that were structurally very different from the Cat-Folded Front condenser, petitioners' assertion regarding Modine's purported "an-

ticipation" of the accused condensers finds no support in the record.

In summary, the Court of Appeals' treatment of the doctrine of equivalents issue in this case properly balanced the requirements of the *Graver Tank* test with the equitable limitations imposed by the doctrine of prosecution history estoppel in a manner that preserved the rights of the interested public while protecting Modine against infringement by accused condensers substantially similar to its patented invention.

III. The Court Should Not Hold The Petition Pending Disposition Of The *Hilton Davis* Case.

Nearly as an afterthought, petitioners ask the Court to hold their petition pending disposition of *Hilton Davis*. There is no reason to refrain from denying the petition now. Upon remand, the ITC may find that petitioners have literally infringed the '580 patent and that such infringement alone is sufficient to support the relief requested by Modine. Further, when this Court rules in *Hilton Davis*, the lower tribunals will be able to apply that ruling to whatever extent it may apply, which will enable this Court in all likelihood to avoid consideration of this case on the merits entirely. Finally, even if the ITC were to determine promptly on remand that petitioners have infringed the '580 patent solely under the doctrine of equivalents, petitioners will have ample opportunity to petition the Court of Appeals for a stay of any exclusion order until such time as this Court decides *Hilton Davis*.

CONCLUSION

For the foregoing reasons, the Petition for Writ of Certiorari should be denied.

Dated: Chicago, Illinois
April 26, 1996

Respectfully submitted,

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